

REMARKS

Claims 1-6 and 14-36 are in the application.

Claims 1, 14 and 36 are amended.

Claims 31 and 36 are objected to based on double patenting. Claim 36 is amended, and it is respectfully submitted that the amendments made herein moot this objection.

Claims 1-514-19, 21-28, 30 and 30-36 are rejected as being anticipated under 35 U.S.C. § 102 by Silverman et al., US 5,924,082.

Claim 6 is rejected as being obvious under 35 U.S.C. § 103 over Silverman et al. in view of Kovlak (Management Accounting).

Claim 20 is rejected as being obvious under 35 U.S.C. § 103 over Silverman et al. in view of Chou, US 6,035,289, respectively.

Claim 29 is rejected as being obvious under 35 U.S.C. § 103 over Silverman et al. in view of Lupien et al.

Applicants have amended the independent claims to generally recite that a determination of the net party-counterparty exposure is determined, and communicated to the user with a possible offer. This communication may be anonymous, which is in contrast to the teachings of Silverman et al. which expressly take these calculations “off line”, and thus mandate as an architectural requirement that the identity of the potential counterparty be communicated in order to permit such calculations.

While the examiner indicates that Silverman et al. indicate that unspecified on-line “credit evaluation and risk management procedures” were known before Silverman et al., it is respectfully submitted that this generic teaching does not anticipate or render obvious the presently claimed invention, which includes specifics. Thus, “credit evaluation” and “risk management procedures” do not teach or suggest “storing net party-counterparty exposure information, and indicating to a party a compensating margin transfer for the net party-

counterparty exposure based on said net party-counterparty exposure information for a repurchase agreement opportunity” as required by present claim 1, “anonymously determining net party-counterparty exposure information at a central location; ... and indicating to a party at a respective user terminal a compensating margin transfer for the net party counterparty exposure based on said net party-counterparty exposure information for a repurchase agreement opportunity” as required by claim 14, or “storing net party-counterparty exposure information representing at least one of a set of party-counterparty outstanding repurchase agreements and an aggregate of party-counterparty outstanding transactions; filtering, at a central server, a set of offers for repurchase agreements of securities, based on at least identification of collateral, pricing of collateral, repurchase term, and a net counterparty exposure of a party for at least one of an existing repurchase agreement and a party-counterparty pair, to produce a set of potential transactions; communicating with a potential counterparty at another user terminal, without disclosing an identity of the party to the potential counterparty or the identity of the potential counterparty to the party, at least one member of the set of possible transactions involving the potential counterparty; and indicating a compensating margin transfer for the net counterparty exposure”, as required by claim 36.

As previously noted, Repurchase Agreements are a quite distinct form of securities-based transaction from debt and equity transactions, and present increased required information to define the transaction, and additional risks relating to counterparty. Thus, in most other types of transactions, the economic risks relate principally to the assets OR the counterparty, whereas in a repurchase transaction, both are relevant. In some cases, the counterparty risk may be compensated economically by determining a net exposure, while in others, no reasonable pricing of the deal addresses the counterparty risks. It is noted, however, that the identities of potential traders is information guarded as secret, and therefore a premature disclosure of the potential counterparty is to be avoided. The present invention therefore seeks to match parties based on the objective deal parameters, while presenting certain anonymous or potentially anonymous counterparty exposure data. After this is considered, then the identities of the counterparties are disclosed to each other for concluding the trade.

Thus, it is respectfully submitted that Silverman et al. does not teach or suggest a system or method for trading or negotiating repurchase agreements as set forth in the present claims, and

is thus clearly distinguished from the present claims, which are allowable in view of the art of record.

Respectfully submitted,

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A handwritten signature in dark ink, appearing to read "Steven M. Hoffberg", written in a cursive style.

By _____
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